

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016

	<u>FYE2016</u>	<u>FYE2015</u>	<u>FYE2016</u>	<u>FYE2015</u>
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31.03.2016	Preceding Year Corresponding Quarter Ended 31.03.2015	Current Year To Date Ended 31.03.2016	Preceding Year Ended 31.03.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	125,658	143,633	540,573	547,605
Profit from Operations	2,864	13,860	25,709	36,624
Interest Income	334	421	1,344	1,075
Interest Expense	(1,066)	(913)	(6,473)	(5,596)
Depreciation and Amortisation	(716)	(674)	(2,911)	(2,672)
Profit Before Tax	1,416	12,694	17,669	29,431
Income Tax Expense	(1,281)	(3,064)	(5,357)	(7,215)
Profit After Tax	135	9,630	12,312	22,216
Other Comprehensive Income				
Exchange differences on translating foreign operations	(1,439)	338	2,055	605
Fair value changes on available-for-sale financial assets	-	-	(23)	-
Gain on revaluation of properties	146	132	146	132
Total Comprehensive Income	(1,158)	10,100	14,490	22,953
Profit attributable to :				
Equity holders of the Company	108	9,571	12,337	22,433
Non-Controlling Interest	27	59	(25)	(217)
	135	9,630	12,312	22,216
Total comprehensive income attributable to :				
Equity holders of the Company	(1,192)	10,078	14,508	23,207
Non-Controlling Interest	34	22	(18)	(254)
	(1,158)	10,100	14,490	22,953
Earning Per Share				
- Basic (sen)	0.07	6.96	7.48	16.32
- Diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statement for the financial year ended 31st March 2015 and the accompanying explanatory notes to the interim financial reports.

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As At 31 March 2016 RM'000	(Audited) As At 31 March 2015 RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant and equipment	97,818	85,952
Investment properties	13,992	13,992
Land held for property development	13,447	13,392
Prepaid lease payments for land	5,288	4,909
Intangible assets	837	837
	<u>131,382</u>	<u>119,082</u>
<u>Current Assets</u>		
Inventories	79,626	79,233
Trade receivables	117,320	128,154
Other receivables and prepaid expenses	6,015	6,025
Current tax assets	-	18
Short Term Funds	35,748	-
Cash and cash equivalents	13,663	50,320
	<u>252,372</u>	<u>263,750</u>
TOTAL ASSETS	<u>383,754</u>	<u>382,832</u>
EQUITY AND LIABILITIES		
<u>Equity Attributable To Owners Of The Company</u>		
Issued capital	82,520	68,767
Share premium	317	317
Other reserves	35,369	33,198
Retained Earnings	108,995	116,462
	<u>227,201</u>	<u>218,744</u>
Non - Controlling Interest	(359)	(341)
Total Equity	<u>226,842</u>	<u>218,403</u>
<u>Non-Current Liabilities</u>		
Hire purchase creditors	200	460
Bank borrowings	9,175	6,379
Deferred tax liabilities	5,716	5,644
	<u>15,091</u>	<u>12,483</u>
<u>Current Liabilities</u>		
Trade payables	17,753	22,989
Other payables and accrued expenses	6,450	8,541
Hire purchase creditors	312	213
Bank borrowings	117,162	117,761
Current tax liabilities	144	2,442
	<u>141,821</u>	<u>151,946</u>
Total Liabilities	<u>156,912</u>	<u>164,429</u>
TOTAL EQUITY AND LIABILITIES	<u>383,754</u>	<u>382,832</u>
Net assets per share (RM)	1.37	1.59

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2015 and the accompanying explanatory notes to the interim financial reports.

DOMINANT ENTERPRISE BERHAD

(Company No.221206-D)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	<u>Issued</u> <u>Capital</u> RM'000	<u>Share</u> <u>Premium</u> RM'000	<u>Other</u> <u>Reserves</u> RM'000	<u>Retained</u> <u>Earnings</u> RM'000	<u>Total</u> RM'000	<u>Non-</u> <u>Controlling</u> <u>Interest</u> RM'000	<u>Total</u> <u>Equity</u> RM'000
Balance as at 1 April 2014	68,483	313	39,923	93,407	202,126	(87)	202,039
Issuance of shares							
- pursuant to ESOS at exercise price of RM 0.50 per share	98	-	-	-	98	-	98
Issuance of shares							
- pursuant to ESOS at exercise price of RM 0.51 per share	186	4	-	-	190	-	190
Total comprehensive income for the year	-	-	774	22,433	23,207	(254)	22,953
Reclassification	-	-	(7,499)	7,499	-	-	-
Dividend	-	-	-	(6,877)	(6,877)	-	(6,877)
Balance as at 31 March 2015	<u>68,767</u>	<u>317</u>	<u>33,198</u>	<u>116,462</u>	<u>218,744</u>	<u>(341)</u>	<u>218,403</u>
Balance as at 1 April 2015	68,767	317	33,198	116,462	218,744	(341)	218,403
Issuance of shares							
- pursuant to bonus issue	13,753	-	-	(13,753)	-	-	-
Total comprehensive income for the year	-	-	2,171	12,337	14,508	(18)	14,490
Dividend	-	-	-	(6,051)	(6,051)	-	(6,051)
Balance as at 31 March 2016	<u>82,520</u>	<u>317</u>	<u>35,369</u>	<u>108,995</u>	<u>227,201</u>	<u>(359)</u>	<u>226,842</u>

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2015 and the accompanying explanatory notes to the interim financial reports.

DOMINANT ENTERPRISE BERHAD
(Company No.221206-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

	Financial Year Ended 31.03.2016 RM'000	Financial Year Ended 31.03.2015 RM'000
Profit for the year	12,312	22,216
Adjustments for : -		
Non-cash items	6,187	(1,926)
Non-operating items	5,129	4,521
Taxation	5,357	7,215
<i>Operating profit before changes in working capital</i>	<u>28,985</u>	<u>32,026</u>
Changes in working capital		
Net change in current assets	9,045	(15,217)
Net change in current liabilities	(7,567)	565
<i>Cash generated from operations</i>	30,463	17,374
Interest received	25	52
Interest paid	(166)	(123)
Income tax paid	(7,558)	(6,247)
Net cash from operating activities	<u>22,764</u>	<u>11,056</u>
<i>Cash flows from / (used in) investing activities</i>		
Interest received	1,344	1,075
Proceeds from disposal of property, plant and equipment	4	14,984
Purchase of property, plant and equipment	(13,737)	(3,484)
Purchase of land held for property development	(56)	(1,144)
Purchase of investment properties	-	(6)
Placement of short term funds in financial institutions	(35,771)	-
Net cash (used in)/ from investing activities	<u>(48,216)</u>	<u>11,425</u>
<i>Cash flows from / (used in) financing activities</i>		
Net proceeds from/ repayment of short-term borrowings	(2,628)	12,537
Dividends paid	(6,051)	(4,126)
Issue of shares	-	288
Interest paid on bank borrowings	(6,307)	(5,470)
Net proceeds from/ repayment of hire-purchase payables	(161)	(189)
Net proceeds from/ repayments of term loans	3,464	(2,769)
Net cash (used in)/ from financing activities	<u>(11,683)</u>	<u>271</u>
Net Changes in Cash & Cash Equivalents	<u>(37,135)</u>	<u>22,752</u>
Adjustment for foreign exchange differentials	(168)	87
Cash & Cash Equivalents at beginning of financial year	49,074	26,235
Cash & Cash Equivalents at end of financial year	<u><u>11,771</u></u>	<u><u>49,074</u></u>
* Cash and cash equivalents at end of financial year comprise the following :		
Cash and bank balances	13,663	50,320
Less: Bank overdrafts		
(included within short term borrowings in Note B6)	(1,892)	(1,246)
	<u><u>11,771</u></u>	<u><u>49,074</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31st March 2015 and the accompanying explanatory notes to the interim financial reports.

UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

Notes to the Interim Financial Report

A1. Accounting Policies

The interim financial reports are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2015. The explanatory notes attached to the interim financial statements provide an explanation on events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2015.

A2. Change in Accounting Policies

The accounting policies adopted are consistent with those in the audited financial statements for the financial year ended 31 March 2015. The Group has adopted all the new and revised MFRSs and Issues Committee Interpretations ("IC Int.") issued by the Malaysian Accounting Standards Board ("MASB") effective for annual financial periods beginning on or after 1 January 2015. The adoption has no significant impact on the financial statements of the Group.

A3. Audit Qualification on Preceding Annual Financial Statements

The audit report of the Group's annual Financial Statements for the financial year ended 31 March 2015 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's business operations are not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year.

A6. Material Changes in Accounting Estimates

Not applicable.

A7. Debts and Equity Securities

There are no issuance and repayment of debts and equity securities during the current quarter and the financial year to date.

A8. Dividend Paid

For financial year ended 31 March 2016

A third interim dividend of 1.0 sen per share, single tier, in respect of financial year ended 31 March 2016, amounting to RM 1,650,401, was paid by the company on 30 March 2016.

A9. Valuations of Property, Plant and Equipment

There is no significant changes during the financial year.

A10. Segmental Reporting

	<u>Revenue</u>		<u>Segment Results</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	115,683	100,558	10,514	8,377
Distributing of wood products	451,662	458,029	16,692	28,885
Other operating segments	<u>22,869</u>	<u>9,578</u>	<u>(1,497)</u>	<u>(638)</u>
	<u>590,214</u>	<u>568,165</u>	<u>25,709</u>	<u>36,624</u>
Elimination of inter-segment revenue:				
- Manufacturing of wood products	(8,491)	(10,531)		
- Distributing of wood products	(18,685)	(1,069)		
- Other operating segments	<u>(22,465)</u>	<u>(8,960)</u>		
	<u>540,573</u>	<u>547,605</u>	<u>25,709</u>	<u>36,624</u>
Interest income			1,344	1,075
Interest expense			(6,473)	(5,596)
Depreciation and amortisation			<u>(2,911)</u>	<u>(2,672)</u>
Profit before tax			17,669	29,431
Income tax expense			<u>(5,357)</u>	<u>(7,215)</u>
Profit after tax			<u>12,312</u>	<u>22,216</u>

	<u>Assets</u>		<u>Liabilities</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Manufacturing of wood products	69,514	64,843	35,578	32,018
Distributing of wood products	228,387	235,450	108,254	113,340
Other operating segments	<u>85,853</u>	<u>82,521</u>	<u>7,220</u>	<u>10,985</u>
	<u>383,754</u>	<u>382,814</u>	<u>151,052</u>	<u>156,343</u>

A11. Changes in the Composition of the Group

There were no changes in composition of the Group for current quarter under review.

A12. Subsequent Material Events

There are no subsequent material events that are required to be reflected in the current quarter.

A13. Contingent Liabilities

As of 31 March 2016, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 393.53 million (RM 386.60 million in December 2015) which are guaranteed by the Company. Accordingly, the Company is contingently liable to the extent of credit facilities utilised by its subsidiary companies as of year-end amounting to about RM 131.62 million (RM 157.39 million in December 2015).

A14. Capital Commitment

As of 31 March 2016, the Group has the following capital commitments:

	RM'000
Approved and contracted for :	
Construction of building	4,656
Purchase of properties	852
	<u>5,508</u>

Additional Information Required by the Bursa Malaysia Listing Requirements

B1. Review of the Performance

For the quarter ended 31 March 2016, the Group recorded a revenue of RM 125.66 million. This represents a decrease of 12.51% as compared to RM 143.63 million in the preceding year corresponding quarter ended 31 March 2015. Operating profit has decreased by 79.37%, from RM 13.86 million to RM 2.86 million.

Manufacturing Division

The revenue was recorded at RM 24.40 million for current quarter, an increase of 0.45% as compared to RM 24.29 million in the preceding year corresponding quarter ended 31 March 2015.

Operating profit has increased by 22.04%, from RM 1.86 million to RM 2.27 million. The increase in operating profit was mainly due to higher profit margin contributed by newly developed products and effective costs management.

Distribution Division

The revenue was recorded at RM 101.26 million for current quarter. This represented a decrease of 15.04% as compared to RM 119.19 million in the preceding year corresponding quarter ended 31 March 2015. The decrease in revenue was mainly due to slow down in market demand.

Operating profit has declined by 89.87% from RM 11.95 million to RM 1.21 million. Excluding the gain arising from disposal of Puchong warehouse in previous year which amounted to RM 4.26 million, the operating profit decreased by 84.27% mainly due to increase in costs of purchase and an additional allowance for doubtful debts amounted to RM 3.47 million.

	Current Quarter Ended 31.03.2016 RM'000	Preceding Year Corresponding Quarter Ended 31.03.2015 RM'000
Operating profit before gain on disposal and allowance for doubtful debts	4.68	8.02
Add/ (Less) : Allowance for doubtful debts	(3.47)	(0.33)
Operating profit after allowance for doubtful debts	1.21	7.69
Add/ (Less) : Gain on disposal	-	4.26
Operating profit after gain on disposal and allowance for doubtful debts	1.21	11.95

B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group's revenue decreased by 13.39% as compared to RM 145.09 million in the preceding quarter ended 31 December 2015. The profit before tax ("PBT") decreased by 71.83%, from RM 5.04 million to RM 1.42 million.

B3. Prospects

The Board is of the view that the wood panel products' prices are not expected to experience any significant volatility. However, the raw material costs and foreign exchange rates may jeopardize the company's profit performance.

The Company will continue to leverage its competitive strengths of its economies of scale to lower its costs of production, in order to achieve satisfactory performance in coming financial year.

B4. Taxation

The taxation is calculated based on the profit for the financial year ended 31 March 2016 comprises the following:

	Current Quarter RM'000	Year To Date RM'000
<u>Income tax Expenses :</u>		
Current Tax Expense :		
Current Quarter/Year	1,281	5,357
	<u>1,281</u>	<u>5,357</u>

B5. Status of Corporate Proposals

There was no corporate proposal for the quarter under review.

B6. Borrowings

The Group's borrowings as at the end of the reporting year are 100% unsecured :-

	As At 31 March 2016 RM'000	As At 31 March 2015 RM'000
Short Term Borrowings	117,162	117,761
Long Term Borrowings	9,175	6,379
	<u>126,337</u>	<u>124,140</u>

B7. Material Litigation

Not applicable.

B8. Derivatives Financial Instruments

As at 31 March 2016, the Group's outstanding derivatives are as follows :-.

<u>Type of Derivatives</u>	Contract Value <u>RM'000</u>	Fair Value <u>RM'000</u>
Foreign Currency Forward Contracts		
- Less than 1 year	36,815	35,372

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

B9. Proposed Dividend

The Board proposed a final dividend of 1.0 sen per share, single tier, for the financial year ended 31 March 2016 (also 1 sen per share, single tier, in previous corresponding period).

This dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting and has not been included as liability in the financial statements. The dates of entitlement and payment will be determined at later stage.

Total dividend per share for current financial year-to-date is 4.0 sens.

B10. Earnings Per Share ("EPS")

The EPS is derived as follow :-

	Current Quarter	Current Year To Date
Net profit for the period/year (RM'000)	108	12,337
Weighted average number of ordinary shares ('000)	165,040	165,040
EPS (sen)	0.07	7.48

B11. Realised and Unrealised Profit/Losses Disclosure

	Current Year To Date 31.03.2016	As At Financial Year Ended 31.03.2015
Retained Earning		
- Realised	106,232	112,886
- Unrealised	688	1,497
	106,920	114,383
Consolidation Adjustment	2,075	2,079
Total Group Retained Earning as per Consolidated Accounts	108,995	116,462

B12. Notes to the Condensed Consolidated Income Statements

Profit before tax is arrived at after crediting (charging) the following:

	Current Quarter RM'000	Current Year To Date RM'000
Interest income	334	1,344
Other income including investment income	(49)	3,549
Interest expense	(1,066)	(6,473)
Depreciation and amortisation	(716)	(2,911)
Provision for and write off of receivables	(3,465)	(3,465)
Provision for and write off of inventories	-	-
Gain/(Loss) on disposal of quoted or unquoted investments	-	-
Gain/(Loss) on disposal of property, plant and equipment	-	4
Impairment of assets	-	-
Gain/(Loss) on foreign exchange	(603)	763
Gain/(Loss) on derivatives	N/A	N/A